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MONGOLIAN MINING CORPORATION

(In Provisional Liquidation)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 975)

CLARIFICATION ANNOUNCEMENT

References are made to the announcements of Mongolian Mining Corporation (In Provisional Liquidation) (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 26 August 2016 and 31 August 2016 in relation to a report (the “**Report**”) on the conduct of the provisional liquidation of the Company submitted by Mr. Simon Conway of PwC Corporate Finance Recovery (Cayman) Limited and Mr. Christopher So Man Chun of PricewaterhouseCoopers Ltd. as joint provisional liquidators of the Company to the Grand Court of the Cayman Islands on 25 August 2016 (Cayman time).

The purpose of the Report is to provide a background to the Company’s current financial and operational situation, provide an assessment of the Company’s future viability, highlight key issues impacting and driving any restructuring proposal, and discuss steps taken by the JPLs. In performing this work, the JPLs have primarily relied on (i) their previous restructuring experience and market practice in similar matters, (ii) public market and industry information, and (iii) material historic financial and operating information of the Company which has been publicly announced.

The JPLs have examined the Company’s future viability under different scenarios, based on various assumptions with respect to the likelihood of business opportunities for increased scale operational synergy that the Group is pursuing and the related execution risks. In order to develop an illustrative comparator to the debt restructuring, the JPLs have performed liquidation analysis of the Group which includes an estimated recovery for the various creditor groups under an insolvent winding-up scenario, based on various assumptions with respect to enforcement. Please refer to the announcement of the Company dated 26 August 2016 for detailed conclusions reached in the Report.

The Company wishes to clarify that the website link that contains a copy of the Report is made password free.

The Company will publish further announcements to update the shareholders and potential investors on progress of the debt restructuring as and when necessary.

For and on behalf of
Mongolian Mining Corporation
(In Provisional Liquidation)
Simon Conway
Joint Provisional Liquidator
who acts without personal liability

Hong Kong, 1 September 2016

As at the date of this announcement, the board of directors of the Company consists of Mr. Odjargal Jambaljamts and Dr. Battsengel Gotov, being the executive directors of the Company, Dr. Oyungerel Janchiv, Mr. Od Jambaljamts and Mr. Gankhuyag Adilbish, being the non-executive directors of the Company, and Dr. Khashchuluun Chuluundorj, Mr. Unenbat Jigjid and Mr. Chan Tze Ching, Ignatius, being the independent non-executive directors of the Company.